



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary  
for Budget and Programs  
and Chief Financial Officer

400 Seventh St., S.W.  
Washington, D.C. 20590

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MEMORANDUM TO: Chief Financial Officers  
Financial Management Committee Members

FROM: *Phyllis Scheinberg*  
for Donna McLean

SUBJECT: Travel Card Policy

As required by the Federal Travel Regulations and PL 105-264, U. S. Department of Transportation (DOT) employees must obtain and use a contractor-issued travel charge card to pay for all travel-related expenses. It is Departmental policy that employees are reimbursed for travel expenses within 30 working days of submitting an acceptable voucher and that employees are held accountable for paying the government issued charge card in accordance with the terms and conditions outlined in the *Cardholder Agreement*.

Following is a summary of the employee and supervisory responsibilities and guidelines for managing the travel card program within each Operating Administration (OA).

Employee Responsibilities

When employees apply for a contractor-issued credit card, they assume the responsibility to use the card for official purposes and pay the charges in a timely manner. These responsibilities are explained in the *Cardholder Agreement* that each employee signs during the application process.

It should be noted that in those rare instances where employees are not reimbursed within 30 calendar days, employees are not relieved of their obligation to pay the charge card bill by the specified due date.

### Supervisory and Management Responsibilities

Agency/Organization Program Coordinators (AOPCs) are responsible for monitoring the monthly delinquency reports provided by the contractor for employees who are in a pre-suspension status. These reports should be passed along to supervisors for appropriate action, including counseling concerning adverse performance rating implications, salary offset, disciplinary action (up to and including termination), etc. In addition, AOPCs should regularly utilize their access to online reporting capabilities provided by the contractor to keep abreast of delinquency trends and to notify appropriate managers of emerging problems.

As noted above, agencies may pursue salary offset as a tool to collect delinquent accounts. Each OA wishing to establish a salary offset program should coordinate with the Office of the Secretary of Transportation's Office of Financial Management.

Agencies shall establish appropriate procedures to ensure their employees are aware of the consequences for not managing their travel card in accordance with the terms and conditions of the *Cardholder Agreement*.

### Agency Reimbursement Responsibility

The *Travel and Transportation Reform Act of 1998* requires that agencies reimburse employees within 30 calendar days after employees submit a proper voucher to their approving officials.

### Contractor Responsibility

The contractor will notify employees who have failed to make payment of undisputed amounts within 45 calendar days from the closing date on the statement of account. At 55 days past the closing date of the account, a second notice will be sent to the cardholder. This notice constitutes a pre-suspension notice that their card privileges are about to be suspended. At this point, the contractor may begin card suspension procedures. If employees do not clear up their accounts during the suspension period, the contractor may initiate pre-cancellation procedures. If employees continue to be delinquent in their payments, the contractor may cancel their card privileges, notify credit bureaus that the employee has had their card cancelled, and start collection actions.

### Guidelines for Travel by Employees without Travel Card Privileges

Employees who have lost their charge card privileges and need to perform official travel must apply for a waiver from the requirement to use a contractor issued travel charge card in order to be reimbursed for official travel expenses. This application must be requested on a trip-by-trip basis and be endorsed by the employee's second-level supervisor and approved by the agency finance office.

### Waiver Procedures

The waiver application must include (1) a description of the circumstances leading to the card suspension/cancellation and (2) a detailed plan for clearing up the outstanding delinquencies within six months from the date of suspension/cancellation.

The use of the centrally billed account results in significant administrative costs to the agency. Therefore, the waiver process may only be requested for travel occurring within six months from the date of the card suspension. Employees who have been granted a waiver from the requirement to use an individual travel charge card may be authorized to use the centrally billed account, but only to pay for common carrier expenses. All other travel related costs must be paid by the employee using a personal charge card or cash. Travel advances may not be approved for individuals traveling under a waiver.

It should be noted that the employee who has eliminated all debt to the card contractor, may file an appeal with the contractor for reinstatement of card privileges. The appeal must be filed through the AOPC and be endorsed by the individual's supervisor.

In the event a waiver is not granted because of the six-month time limit or at the discretion of the supervisor, finance office or other agency official an employee may not be able to travel. Employees unable to travel may be incapable of performing required job duties. In those cases, appropriate personnel sanctions may be initiated, including possible termination of employment. The Departmental Office of Human Resource Management is responsible for promulgating Departmental policies regarding employee performance. Specific provisions concerning performance-based actions may vary between OAs and individual collective bargaining agreements.

### United States Coast Guard (USCG) Military Personnel

The USCG is directed to issue policy that is consistent with this document to ensure prompt payment of military personnel.

cc: Personnel Management Council Members